



Rod R. Blagojevich, Governor
Barry S. Maram, Director

Illinois Department of Public Aid

201 South Grand Avenue East
Springfield, Illinois 62763-0001

Telephone: (217) 782-5565
TTY: (800) 526-5812

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INFORMATIONAL NOTICE

TO: Out-of-State, Non-Cost Reporting Hospitals: Chief Executive Officers, Chief Financial Officers, and Patient Accounts Managers

RE: Assignment of Additional Provider Number for Fee-for-Service Billing

In order to comply with the Health Insurance Portability and Accountability Act (HIPAA), the department will change the billing and payment methodology for certain claims submitted by out-of-state, non-cost reporting hospitals. The department defines a non-cost reporting hospital as an out-of-state hospital that provides fewer than 100 Illinois Medicaid days annually, does not elect to be reimbursed under the DRG reimbursement system, and does not file an Illinois Medicaid cost report.

The department has a listing of procedure codes it has determined to be most commonly performed in the hospital outpatient setting. This listing is known as the Ambulatory Procedures Listing (APL). Outpatient services from the APL are billed on the institutional claim format and are paid at various rate levels depending upon the complexity of the procedure. The APL is available on the department's Web site at <http://www.state.il.us/dpa/html/apl.htm>.

Currently, if an out-of-state, non-cost reporting hospital performs a service that is not on the APL, the hospital bills a state-generated procedure code 0090 on the institutional claim format, and is reimbursed at a flat rate. Effective for dates of service on and after October 16, 2003, these hospitals will no longer be able to bill the state-generated code 0090, and will be held to the same billing processes as for in-state and out-of-state cost-reporting hospitals.

Procedures not listed in the APL provided in the hospital outpatient setting have payment levels based on the fee-for-service methodology. This means that for these services, hospitals will be required to conform to the policies and billing procedures in effect for other non-hospital providers of service. Payment for these services will be based on the same fee schedule that applies to these services when they are provided in the non-hospital setting.

If an out-of-state non-cost reporting hospital is interested in billing fee-for-service claims, it must be enrolled with a separate provider number. This provider number is comprised of the hospital's 9-digit Federal Employer Identification Number (FEIN) plus an additional 3-digit identifier. This new provider number must be used when the hospital bills fee-for-service claims on the professional claim format. The hospital will continue to use its current provider number for services billed on the institutional claim format.

Hospitals interested in enrolling to bill fee-for-service should contact the Provider Participation Unit at the address below:

Illinois Department of Public Aid
Provider Participation Unit
Post Office Box 19114
Springfield, Illinois 62794-9114

Telephone: 217-782-0538
Fax Number: 217-557-8800
E-Mail Address: PPU@mail.idpa.state.il.us

After enrollment, hospitals will receive a new Provider Information Sheet confirming enrollment under the new fee-for-service provider number. Hospitals should verify the accuracy of the information contained on the Provider Information Sheet and report any discrepancies to the Provider Participation Unit.

Department handbooks for different types of medical services are available on the Web site at [<http://www.state.il.us/dpa/handbooks.htm>](http://www.state.il.us/dpa/handbooks.htm) or a paper copy may be requested from the Provider Participation Unit. For questions relating to billing a particular service, please contact the Bureau of Comprehensive Health Services at 217-782-5565.

Anne Marie Murphy, Administrator
Division of Medical Programs